

1 BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
2 NICHOLAS A. KOFFROTH, ESQ.
Nevada Bar No. 16264
3 **FOX ROTHSCHILD LLP**
4 1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
5 Telephone: (702) 262-6899
Facsimile: (702) 597-5503
6 Email: baxelrod@foxrothschild.com
nkoffroth@foxrothschild.com
7 *Counsel for Debtor*
8
9

10 **UNITED STATES BANKRUPTCY COURT**
11 **DISTRICT OF NEVADA**

12 In re

13 CASH CLOUD, INC.,
14 dba COIN CLOUD,

15 Debtor.
16
17
18
19
20
21
22
23
24
25
26
27
28

Case No. BK-23-10423-mkn

Chapter 11

**SECOND SUPPLEMENTAL
DECLARATION OF TANNER JAMES IN
SUPPORT OF OMNIBUS REPLY IN
SUPPORT OF MOTION FOR ENTRY OF
AN ORDER AUTHORIZING DEBTOR TO
SURCHARGE THE COLLATERAL OF
GENESIS GLOBAL HOLDCO, LLC,
ENIGMA SECURITIES LIMITED, AND
AVT NEVADA, L.P.**

Hearing Date: October 16, 2023

Hearing Time: 9:30 a.m. (Pacific Time)

1 I, Tanner James, declare as follows:

2 1. I am a Vice President at Province, LLC ("Province"), the financial advisor to Cash
3 Cloud, Inc. dba Coin Cloud ("Debtor"), debtor and debtor in possession in the above-captioned case
4 (the "Bankruptcy Case"). I make this Declaration in further support of the *Motion for Entry of an*
5 *Order Authorizing Debtor to Surcharge the Collateral of Genesis Global Holdco, LLC, Enigma*
6 *Securities Limited, and AVT Nevada, L.P.* [Docket No. 926] (the "Motion"),¹ the *Omnibus Reply in*
7 *Support of Motion for Entry of an Order Authorizing Debtor to Surcharge the Collateral of Genesis*
8 *Global Holdco, LLC, Enigma Securities Limited, and AVT Nevada, L.P.* [Docket No. 1243] (the
9 "Reply"), and for all other purposes authorized by law.

10 2. In my capacity with Province, I am familiar with the records of the Debtor and am
11 familiar with the surcharge analysis set forth herein. In addition, I was involved with the sale of the
12 Debtor's assets and consulted with my colleagues and other knowledgeable estate professionals.
13 Except as otherwise indicated herein, this Declaration is based upon my personal knowledge. I am
14 over the age of 18 and am mentally competent. If called upon to testify, I would testify competently
15 to the facts set forth in this Declaration.

16 3. On request of the Debtor, and in response to the issues raised in the Objections, I
17 conducted a full and independent an analysis of the each billing entry utilized to calculate the
18 professional fees included in the surcharge expenses (the "Sale Costs") set forth in the Motion to
19 analyze their reasonableness and necessity in the Debtor's efforts to preserve and enhance the value
20 of the Secured Creditors' Collateral for the benefit of the Secured Creditors.

21 4. The fee statements of the following professionals included detailed billing entries
22 describing the specific work performed under discrete task categories related to the sale, including
23 "Asset Disposition," "Sale Process", and "Use, Sale, or Lease of Property." In reviewing the billing
24 entries associated with these task codes, I was able to identify the work performed for a specific entry,
25 the time, and the associated fee. The narrative descriptions of time entries allowed me to determine
26 whether a specific entry was associated with the efforts to sell the Secured Creditors' Collateral. The

27 _____
28 ¹ Unless otherwise defined herein, all capitalized terms have the definitions set forth in the Motion or
Reply, as applicable.

1 pages of detailed billing entries are not reproduced here to avoid needless duplication and because
 2 they are filed on the docket of the Bankruptcy Case. As set forth below, I specifically identify the
 3 billing entries I reviewed by reference to docket number and task codes for each professional.

4 5. My full and independent review of the fee statements and fee amounts utilized to
 5 determine the total proposed Sale Costs component of the surcharge amount set forth in the Motion
 6 is as follows:

7 a. **Seward & Kissel LLP.** I reviewed the monthly fee statements [Docket Nos.
 8 559, 567, 640, 984, 1069] filed by Seward & Kissel in the Bankruptcy Case for the period between
 9 February 23, 2023 and June 30, 2023. I specifically reviewed each of the entries for fees and expenses
 10 associated with the “Asset Disposition” billing code in the Seward & Kissel fee statements. Based
 11 on my review of those billing entries, I determined that \$251,773 of billing entries were associated
 12 with the sale of the Secured Creditor’s Collateral and performed to advance the proposed sale. By
 13 contrast, the estimated amount of sale related fees and expenses estimated in my original declaration
 14 in support of the Motion was \$248,015. *See* Docket No. 927.

15 b. **McDonald Carano LLP.** I reviewed the monthly fee statements [Docket Nos.
 16 560, 568, 641, 985, 986] filed by McDonald Carano in the Bankruptcy Case for the period between
 17 February 24, 2023 and June 30, 2023. I specifically reviewed each of the entries for fees and expenses
 18 associated with the “Asset Disposition” billing code in the McDonald Carano fee statements. Based
 19 on my review of those billing entries, I determined that \$1,495 of billing entries were associated with
 20 the sale of the Secured Creditor’s Collateral and performed to advance the proposed sale. By contrast,
 21 the estimated amount of sale related fees and expenses estimated in my original declaration in support
 22 of the Motion was \$715. *See* Docket No. 927.

23 c. **Fox Rothschild LLP.** I reviewed the monthly fee statements [Docket Nos.
 24 436, 575, 721, 864] filed by Fox Rothschild in the Bankruptcy Case for the period between February
 25 7, 2023 and June 30, 2023. I specifically reviewed each of the entries for fees and expenses associated
 26 with the “Use, Sale, or Lease of Property” billing code in the Fox Rothschild fee statements. Based
 27 on my review of those billing entries, I determined that \$406,857 of billing entries were associated
 28 with the sale of the Secured Creditor’s Collateral and performed to advance the proposed sale. By

1 contrast, the estimated amount of sale related fees and expenses estimated in my original declaration
2 in support of the Motion was \$406,857. *See* Docket No. 927.

3 d. **Province, LLC.** I reviewed the monthly fee statements [Docket Nos. 500,
4 600, 784, 923] filed by Province in the Bankruptcy Case for the period between February 7, 2023 and
5 June 30, 2023. I specifically reviewed each of the entries for fees and expenses associated with the
6 “Sale Process” billing code in the Province fee statements. Based on my review of those billing
7 entries, I determined that \$630,361 of billing entries were associated with the sale of the Secured
8 Creditor’s Collateral and performed to advance the proposed sale. By contrast, the estimated amount
9 of sale related fees and expenses estimated in my original declaration in support of the Motion was
10 \$629,624. *See* Docket No. 927.

11 e. **Stretto Inc.** On September 20, 2023, I received an email from Angela Tsai, a
12 Director of Corporate Restructuring at Stretto, Inc., in response to my request for further support of
13 their determination that Stretto incurred \$27,500 of fees and expenses in connection with the sale
14 process. A true and correct copy of my email communication with Ms. Tsai is attached hereto as
15 **Exhibit A**. My understanding is that the Stretto expense totals \$27,217.02, in comparison with the
16 \$27,500 amount estimated in my original declaration. *See* Docket No. 927. I reviewed the expense
17 calculations provided by Ms. Tsai and confirmed that the billings are associated with noticing costs
18 incurred by the estate to provide required notices of the sale, auction, and request to extend the
19 deadline or assume or reject leases to parties entitled to notice under applicable law. Based on my
20 review of the information provided by Stretto, I determined that \$27,217.02 of the expense
21 calculations were associated with the sale of the Secured Creditor’s Collateral and performed to
22 advance the proposed sale.

23 6. **FTI Consulting, Inc.** I have made several requests for the fee statements utilized by
24 FTI Consulting, Inc., financial advisor to the Official Committee of Unsecured Creditors, to support
25 their determination that FTI incurred \$142,003.44 of fees and expenses in connection with the sale
26 process. I have not received copies of the underlying fee statements. As such, I have been unable to
27 conduct a full and independent review of the reported fee and expense amounts provided by FTI.
28 However, as set forth in my declaration [Docket No. 927] in support of the Motion, FTI provided me

1 the calculation based on email communications requesting solely the fees and expenses incurred by
2 FTI in connection with the sale process in the Bankruptcy Case.

3 7. I have reviewed the Objections specifically with respect to the Secured Creditors'
4 claims that the Debtor has not demonstrated the proposed surcharge expenses are reasonable,
5 necessary, or beneficial to the Secured Creditors. However, based on my review, I did not identify
6 objections to specific billing entries in the docketed monthly fee statements utilized to determine the
7 surcharge amount for Sale Costs set forth in my original declaration [Docket No. 927]. As such, I
8 was unable to analyze any specific objections to particular billing entries. As set forth above, I
9 concluded that the foregoing billing entries I reviewed were associated with the sale process and the
10 successful disposition of the Secured Creditors' Collateral.

11 I declare, under penalty of perjury of the laws of the United States of America, that the
12 foregoing statements are true and correct to the best of my knowledge, information and belief.

13 Dated this 20th day of September, 2023.

14
15 /s/ Tanner James

16 Tanner James
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit A

From: Angela Tsai <Angela.Tsai@stretto.com>
Sent: Wednesday, September 20, 2023 6:39:09 PM
To: Tanner James <tjames@provincefirm.com>
Subject: RE: Coin Cloud - Sale Costs

EXTERNAL EMAIL

Tanner,

Please see the below detailed expense calculations for the sale related expenses. Realized that the creditor count back then was lower than discussed on the phone, as it was before the 400+ customers were added.

The original Notice of Bidding Procedure service was not included in the original estimate, just the subsequent notices/documents. Please feel free to let me know if there is anything further you might need.

Date of Service	Document	Page Count	Notice Party Count	Printing	Postage	Label	Total Expense
4/28/2023	Notice of Bidding Procedures	5	5,117	\$0.50	\$0.58	\$0.15	\$6,29
5/12/2023	SOLICITATION MAILING - Group 4 - NON-CLAIMHOLDERS ON EX A FOR DN 534	8	1,246	\$0.80	\$0.58	\$0.15	\$1,90
5/12/2023	SOLICITATION MAILING - CLASS 3B - COUNTERPARTIES FOR DN 534	19	902	\$1.90	\$0.58	\$0.15	\$2,37
6/6/2023	Amended Notice of Auction Results (Docket no. 621)	3	5,150	\$0.30	\$0.58	\$0.15	\$5,30
6/16/2023	Sale Motion NOE (DN 725)	7	5,200	\$0.70	\$0.58	\$0.15	\$7,43
6/20/2023	Notice of Amended Sale Motion (DN 731)	3	5,203	\$0.30	\$0.58	\$0.15	\$5,35
6/22/2023	Notices of Filing re: Sale Motion & IMA Motion	2	5,203	\$0.20	\$0.58	\$0.15	\$4,83

\$27,2

Thanks,
Angela

Angela Tsai
Director, Corporate Restructuring

T: 714.716.1922 | C: 917.280.3977

From: Angela Tsai <Angela.Tsai@stretto.com>
Sent: Saturday, June 24, 2023 8:29 AM
To: Tanner James <tjames@provincefirm.com>
Cc: Daniel Moses <dmoses@provincefirm.com>; Williams, Zachary <ZWilliams@foxrothschild.com>
Subject: RE: Coin Cloud - Sale Costs

Hi Tanner,

Per our discussion, our expenses incurred so far for services of all sale related documents is ~\$27,500. Please feel free to let me know if there is anything further you might need.

Thanks,
Angela

Angela Tsai
Director, Corporate Restructuring
T: 714.716.1922 | C: 917.280.3977

From: Tanner James <tjames@provincefirm.com>
Sent: Friday, June 23, 2023 2:08 PM
To: Angela Tsai <Angela.Tsai@stretto.com>
Cc: Daniel Moses <dmoses@provincefirm.com>; Williams, Zachary <ZWilliams@foxrothschild.com>
Subject: Coin Cloud - Sale Costs

[External Email]

Hi Angela,

Can you please let me know what the costs/expenses have been through Stretto associated with the noticing the sale process?

Best,

PROVINCE

2360 Corporate Circle, Suite 340
Henderson, NV, 89074

[check out the new provincefirm.com](https://www.provincefirm.com)

Tanner James
Senior Associate

c: (847) 951-5096

o: (702) 685-5555

tjames@provincefirm.com

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited.